

REMARKS

Prior to entry of this Amendment:

- Claims **1-37** were pending in the present application
- Claims **1-37** stand rejected

Upon entry of this Amendment, which is respectfully requested for the reasons set forth below:

- Claims **1-36, 38, and 39** will be pending
- Claims **1, 3, 8, 11, 12, 33, and 36** will be amended
- Claims **38 and 39** will be added
- Claims **1, 3, 8, 11, 12, 33, 36, 38, and 39** will be the only independent claims

A. Telephone Interview

We would like to thank the Examiner for the helpful telephone conversation held on May 4, 2005, with our representative.

The Examiner and our representative discussed the Section 101 rejections. The Examiner clarified that the rejection of apparatus Claims 32-35 was in error and would be withdrawn. The Examiner stated that the Section 101 rejection of medium Claim 36 would be reconsidered. The Examiner stated that method Claim 37 remains rejected under Section 101 because the reciting of “computer-implemented” in the preamble is not a limitation.

The Examiner and our representative discussed Claim **1** in light of the Forward reference. Our representative stated that the recited *security deposit* secures a benefit. The Examiner stated that the *security deposit* is nothing more than “an incentive clause.” The Examiner stated that nothing in the disclosure supported our representative’s statement that the security deposit secures a benefit. In response, our representative noted that page 13, lines 9-10 states: “As used herein, a ‘security deposit’ may be anything provided by a customer to secure the benefit being applied...”

While no formal agreement was reached with respect to patentability, we are grateful for the opportunity to assist the Examiner in understanding the Specification.

B. Provisional Double Patenting Rejection

All of the pending are provisionally “rejected under the judicially created doctrine of obviousness-type double patenting” as being unpatentable over specified claims of co-pending U.S. Patent Application No. 09/533,087.

We do not agree with this provisional rejection; however, we will hold our arguments until the issue is ripe. MPEP § 804(I)(B).

C. Claim Amendments

C.1. Claims 1, 33, and 36 have been amended

No new matter has been added. Although we do not necessarily agree with the Examiner’s rejections, each of independent Claims **1, 33, and 36** has been amended to recite *the benefit to be applied to the transaction before performance of the task by the customer*. Claims **1, 33, and 36** (and claims dependent therefrom) contain allowable subject matter. We make this amendment without prejudice, and we intend to pursue the originally claimed subject matter in a continuing application.

Claim **1** has also been corrected to remove an obvious typographical error—the word “with” has been deleted from the preamble.

C.2. Claims 3, 8, 11, and 12 have been rewritten in independent form

Claims **3, 8, 11, and 12** have been rewritten in independent form including all the limitations of the base claim and any intervening claims. Each of Claims **3, 8, 11, and 12** also recites *arranging, via a processing device, for a benefit....* Each of the now-independent claims recites subject matter not addressed by the Examiner in the present Office Action and for which no *prima facie* case of obviousness has been established. Claims **3, 8, 11, and 12** contain allowable subject matter.

C.3. Claim 37 has been canceled

Claim 37 has been canceled without prejudice. We submit that Claim 37 contains allowable subject matter, and that Claim 37 has been canceled solely in order to expedite issuance of the present application. We intend to pursue the subject matter of Claim 37 in a continuing application.

D. Section 101 Rejection

Claims **1-37** are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. [Office Action, page 3].

We do not agree with this rejection. Claim 37 has been cancelled.

D.1. Claims 33-35

The Examiner stated in the Telephone Interview that apparatus Claims **33-35** were rejected in error and that the Section 101 rejection would be withdrawn. We are grateful to the Examiner for acknowledging that Claims **33-35** are directed to statutory subject matter.

D.2. Claims 1-32 and 36

Although we do not agree that any of Claims **1-32 and 36** is not directed to statutory subject matter, independent Claims **1 and 36** have been amended without prejudice solely in order to expedite allowance of the present application. We reserve the right to pursue the originally filed subject matter in a continuing application.

Each of Claims **1 and 36** has been amended to recite *arranging, via a processing device, for a benefit to be applied to the transaction... and the benefit to be applied to the transaction before performance of the task by the customer.*

D.3. New Claims 38 and 40

Each of new independent Claims **38 and 40** recites a respective step performed *via a processing device*.

We submit that all of the pending claims (Claims **1-36, 38, and 40**) are directed to statutory subject matter.

E. Section 103(a) Rejection

Claims **1-37** stand rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,999,999 issued to Forward ("Forward"). We respectfully traverse the Examiner's Section 103(a) rejection.

Claim **37** has been cancelled.

E.1. Resolving the Level of Ordinary Skill is Required by *Graham* for Determination of Obviousness Under 35 U.S.C. § 103

We note that the Examiner has been helpful in outlining the required Graham findings. [Office Action, page 4].

Unfortunately, the record does not indicate that the Examiner has complied with all of the requirements. In particular, although the Examiner recognizes its necessity, there is no indication of record that the Examiner has resolved the level of ordinary skill in the art. Without such a finding, necessary to establish a proper objective viewpoint, no *prima facie* case of obviousness can be established.

Ascertaining a level of ordinary skill in the art is necessary. M.P.E.P. § 2141.03. See Ryko Mfg. Co. v. Nu-Star, Inc., 950 F.2d 714, 718 (Fed. Cir. 1991) ("Hence, the level of ordinary skill in the art is a factual question that must be resolved and considered."). Some factors that may be considered are outlined at M.P.E.P. § 2141.03.

Without a factual determination of the level of ordinary skill in the art, obviousness cannot be assessed properly. The critical question is whether a claimed invention would have been obvious at the time it was made to one with ordinary skill in the art. Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc., 807 F.2d 955, 962 (Fed. Cir. 1986). Thus, a determination of the level of ordinary skill in the art is an integral part of the Graham analysis. Ruiz v. A.B. Chance Co., 234 F.3d 654, 666 (Fed. Cir. 2000) (citing Custom Accessories, 807 F.2d at 962).

Interpreting the claim language requires first resolving the level of ordinary skill in the art. Ferguson Beauregard v. Mega Sys., LLC, 350 F.3d 1327, 1338 (Fed. Cir. 2003) ("The words used in the claims must be considered in context and are examined through the viewing glass of a person skilled in the art."); Interactive Gift Express, Inc. v. Compuserve Inc., 256 F.3d 1323, 1332 (Fed. Cir. 2001) ("It is important to bear in mind that the viewing glass through which the claims are construed is that of a person skilled in the art."); Markman v. Westview Instruments, Inc., 52 F.3d 967, 986 (Fed. Cir. 1995) (en banc) ("The focus is on the objective test of what one of ordinary skill in the art at the time of the invention would have understood the term to mean.").

In this case, the Examiner has not resolved the level of ordinary skill in the field of invention and has indicated no evidence of such. Accordingly, there is no evidence that the Examiner construed any claim language objectively in its proper technological and temporal context.

As a result of the failure to resolve and consider the level of ordinary skill, the Examiner (i) cannot have determined the scope and content of the prior art

objectively, i.e., from the point of view of the hypothetical person having ordinary skill in the art at the time of invention, and thus (ii) cannot have determined the differences between the cited references and the claims objectively.

As the Examiner has failed to conduct the required Graham factual inquiries, the Examiner cannot factually support any *prima facie* conclusion of obviousness with respect to any pending claim.

For at least these reasons, we respectfully submit that the Examiner has failed to establish a *prima facie* case of obviousness for any pending claim.

E.2. Independent Claims 1, 33, and 36

We respectfully submit that independent Claims **1, 33, and 36** are not obvious in light of Forward.

According to some embodiments of the present invention, a benefit may be applied to a transaction before the customer has performed a corresponding task (e.g., the customer may agree to perform a task in the future in exchange for being provided with the benefit). For some examples, see Specification, pages 16-20, FIGs. 3A-3E. A merchant or other entity may find it appealing to apply a benefit before a task is performed if, for example, the customer also provides a security deposit (e.g., to secure the benefit).

Independent Claims **1, 33, and 36** have been amended and now recite *arranging...for a benefit to be applied to a transaction in exchange for a future performance of a task by the customer...the benefit to be applied to the transaction before performance of the task by the customer*. Thus, the recited subject matter of Claims **1, 33, and 36** allows for arranging for a benefit to be applied to a transaction before a task is performed by the customer, and also allows for arranging for the customer to provide a security deposit (e.g., to secure the benefit).

In contrast, the Forward system is specifically directed to a “central system repository” that provides an “incentive, or reward,” to a customer only after the customer makes a purchase (e.g., of a house) from a seller.

According to the Examiner’s present interpretation of Forward, the recited step of *arranging for a benefit...* is taught by “Figure 3 which details a customer purchasing a house, from a party other than the web site, and providing the certification of purchase to the Web site.” [Office Action, pages 4-5]. Thus, as we understand the Examiner’s present interpretation, the purchase of the house and/or providing of the “certification of purchase” to the “Web site” is the *future performance of the task*, and the benefit is “a cash rebate incentive” applied after the “Web site” receives the certification. We do not necessarily agree with the

Examiner's interpretation. However, we submit that neither Forward nor the Examiner's interpretation suggests *the benefit is to be applied to a transaction before performance of the task by the customer*, as now generally recited in each of independent Claims **1, 33, and 36**.

Further, it would not desirable to modify Forward to allow for applying a benefit before, as to do so would destroy the express principle of operation of the Forward system: "That incentive, or reward, is provided by the operator of the central system only after the purchase is made, and only after the purchaser has notified the operator of the central system that he has made the purchase." ["Summary of the Invention," Col. 2, lines 10-17 (emphasis added)]. See also, Abstract: "Along with each item, the system presents an incentive that may be realized if that item is purchased from a designated third party seller. The user then executes the purchase with the seller.... The user may then take the certification of purchase back to the central repository to redeem the incentive." [Abstract (emphasis added)].

Thus, there is no teaching or suggestion in Forward, or otherwise of record, to apply a benefit to a transaction before performance of a task by a customer, much less arranging for a customer to provide a security deposit to secure such a benefit.

We respectfully request allowance of Claims **1, 33, and 36** (and any claims dependent therefrom).

E.3. Independent Claim 3

Claim **3** is now independent.

No *prima facie* case of obviousness has been established for Claim **3**. The present Office Action makes no mention of the express limitation of Claim **3**, which recites: *wherein the transaction comprises a sale by the customer of at least one of: (i) an item; (ii) a product; and (iii) a service*. The Examiner appears to have ignored Claim **3**.

According to the Examiner's interpretation of Forward, the buyer of a house may receive a "cash rebate incentive." There is nothing in Forward or otherwise of record, however, that suggests arranging for anyone making a *sale* to provide a security deposit or arranging for anyone making a sale to have a benefit applied to the sale, as generally recited in Claim **3**.

E.4. Independent Claim 8

Claim **8** is now independent.

No *prima facie* case of obviousness has been established for Claim 8. The present Office Action makes no mention of the express limitation of Claim 8, which recites: *wherein the security deposit comprises an item owned by the customer*. The Examiner appears to have ignored Claim 8. Nothing in Forward hints at providing a security deposit comprising an item owned by the customer or arranging to return such a security deposit; the Examiner does not assert otherwise.

E.5. Independent Claim 11

Claim 11 is now independent.

No *prima facie* case of obviousness has been established for Claim 11. The present Office Action makes no mention of the express limitation of Claim 11, which recites: *wherein the security deposit comprises an interest a customer has in an item*. The Examiner appears to have ignored Claim 11. Nothing in Forward hints at providing a security deposit comprising an interest a customer has in an item or arranging to return such a security deposit; the Examiner does not assert otherwise.

E.6. Independent Claim 12

Claim 12 is now independent.

No *prima facie* case of obviousness has been established for Claim 12. The present Office Action makes no mention of the express limitation of Claim 12, which recites: *wherein the security deposit comprises a right the customer has to receive a payment*. The Examiner appears to have ignored Claim 12. Nothing in Forward hints at providing a security deposit comprising a right the customer has to receive a payment or arranging to return such a security deposit; the Examiner does not assert otherwise.

For at least the reasons stated herein, we respectfully request allowance of the pending Claims 1-36.

F. Newly-Added Claims 38 and 39 Are Patentable Over the Cited References

Newly-added Claims **38 and 39** are patentable over Forward.

Forward does not teach or suggest applying or providing a benefit before a task is performed by a customer. Forward does not teach or suggest any of the following:

- *before verifying performance of the task by the customer, applying the benefit to the purchase*

as recited in independent Claim **38**; or

- *after receiving the security deposit from the customer,*
 - *providing the benefit to the customer in exchange for a task to be performed by the customer after the customer receives the benefit;*
- *after providing the benefit to the customer,*
 - *receiving, via a processing device, information indicating that the customer has performed the task; and*
- *after receiving the information,*
 - *returning the security deposit to the customer.*

as recited in independent Claim **39**.

For at least the reasons stated herein, we respectfully submit that new Claims **38 and 39** are allowable.

G. Authorization to Charge Appropriate Fees

We do not believe that any fees are necessary for this response.

Please grant a petition for any extension of time required to make this Response timely.

If necessary, please charge any appropriate fees necessary per the following information:

Deposit Account: 50-0271

Order No.: 00-039

Please credit any overpayment to the same account.

A duplicate copy of this authorization is enclosed for such purposes.

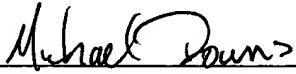
H. Conclusion

It is submitted that all of the claims are in condition for allowance. The Examiner's early re-examination and reconsideration are respectfully requested.

If the Examiner has any questions regarding this amendment or the present application, the Examiner is cordially requested to contact Michael Downs at telephone number (203) 461-7292 or via electronic mail at mdowns@walkerdigital.com.

Respectfully submitted,

May 9, 2005
Date



Michael Downs
Attorney for Applicants
Registration No. 50,252
mdowns@walkerdigital.com
(203) 461-7292 /voice
(203) 461-7300 /fax